



Christine Turner

From: Marshall Brumer
Sent: Thursday, June 06, 1996 12:53 PM
To: Bill Gates
Cc: Paul Maritz; Jim Allchin (Exchange); Brad Silverberg; Carl Stork; Christine Turner; Craig Mundie; John Ludwig
Subject: Briefing for your Andy Grove 1-1. 6/7/96

This mail presents a status of our relationship with Intel and key areas for discussion at your meeting. A detailed status of our work by technology/initiative is attached.

Summary Relationship Status

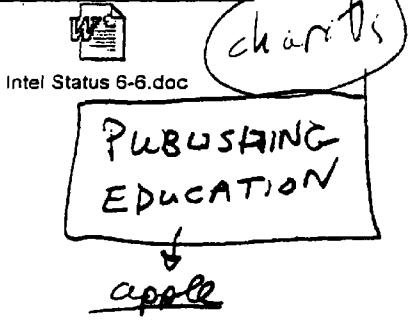
- We continue to improve our relationship. The key in this area is our continued focus on the HW groups at Intel. MS is engaged across almost all of the HW groups at Intel with positive results coming every time we make another connection.
We continue to force conflict resolution lower in both organizations while lowering paranoia levels at both companies.
The growing executive connections and relationships are key in getting our relationship going in this positive direction.

Key Areas for Discussion

- Windows NT 4.0/PPro Joint Marketing
We are working with Intel to get a joint marketing program underway. Intel's two key issues are money and clear messages on PPro.
Hood River - Intel Family Room PC (an SIPC example)
Intel needs to stay in this space and staff this project.
Intel Web Page
We are making good on our end of educating Intel on IE3.0.
Intel Inside Logo
We need to ping Andy on their goals behind requiring OEMs to remove all logos except the Intel Inside logo from ads, machines etc.
Total Cost of Ownership
Intel wants to work this issue with MS.
Strategic Relationship Direction
Moving forward, we will be focused on the needs of Intel's HW product groups.

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Technical Area Status



IAL-security/image capture
~~Logo Junction~~
WEB phone?
JAVA
chip competition / PC volume / memory price
ROADMAP Reaction
Page 1
Berkley NOW / supercomputer!
... / security / bayesian

Intel Status by Technical Area or Initiative

Updated 6/6/96

CPUs

- MMX
 - MS continues to support MMX with Intel externally - WinHEC, XDC etc.
 - 25 systems into MS at this point. Most support coming from DX group. Many other groups doing more work to determine level of support. We can expect MS to make a strong push as Intel begins shipping MMX based systems.
 - Languages has released MMX support in VC++ 4.1.
- MX2 or VX
 - This is Intel's second round of MMX optimizations. SIMD FP unit with some changes to the FP register set. This will affect SW compatibility. MS will need to focus on this area. Intel's focus with these instructions is AGP2 (see below) systems in '99 for hi-end graphics.
 - Intel will be at MS on 6/7/96 to disclose this for the first time. We will be on a tight schedule here since Intel plans to close this definition by 7/1/96 to enable Merced changes for this if needed.
- Merced (P7)
 - EM LOI work continues in the background. We will close on this as soon as our HP/MS deal is complete. Details on the LOI:
 - Compiler - 2 phase plan. 1) Intel will ship an EM compiler using MS IDE just like any other RISC vendor. 2a) MS will, at it's discretion, ship the product from phase 1. 2b) MS will create and ship it's own EM compiler.
 - NT/EM release in the same general timeframe as Merced ship. Intel goal is 98, 99 may be more realistic from MS point of view.
 - Closure on IP issues. We may already be covered here, just making sure that we close on this.
 - We continue to engage on Merced technical issues even though the LOI is not yet signed.
- Klamath
 - Intel's next big push. Pentium Pro (but probably with a new name) and MMX with a shrink.
 - This processor is tied to their 'big bang' theory that we are just beginning to hear about. Intel wants to release processor, chipset, motherboard and systems at the same time. Klamath will be the first big bang, happening in mid 97.
 - AGP (see below) is a big part of Klamath success. We are working hard to support this on Intel's timeline.
- Pentium Pro
 - Working with Intel to get a joint marketing program, PPro and NT4.0 Launch, underway. MS made a third proposal to Intel 6/5/96. Intel's two key issues are money and clear messages on PPro. MS needs to push on Intel hard in this space.
 - Klamath improves upon the 16bit performance problems of PPro. We won't see much change out of any of the other SW attempts that Intel has been making in this space.

Chipsets

- Working on many chipset definition issues for the short and long term. These include work on AGP, USB, ACPI (Advanced Configuration and Power Interface), PCI improvements/fixes and plans to work on Intel's round two of AGP that will be focused on even higher end graphics than current AGP.
 - AGP - Accelerated Graphics Port
 - Intel is pushing this hard. They have tied this to Klamath and are focused on 3D on Klamath/AGP systems being far beyond current PC 3D solutions.

- MS is externally supporting AGP including presenting at Intel's recent AGP developer's conference and public statements of support at WinHEC and PC Tech forum.
- MS is engaged on AGP. NT, 95 and MM folks are focusing on this. Time is being spent on specification review and improvement, software definition and scheduling. Key issue here is that we need to make OS and DX changes here, this will take time.
- Goal is to have MS software support on the same timeline as Intel HW support. Dependencies are 1.0 specification and AGP chipset and peripheral HW.
- USB - Universal Serial Bus
 - MS and Intel have created and are following a joint POR. Weekly meetings on this. Biggest issue is lack of retail USB peripheral support.
- We continue to grow this relationship as we engage on more of these initiatives with Intel. Avtar Saini recently took over PCD from Ron Smith. We had a good meeting with Avtar on 6/3/96 that helped focus key areas to engage and iron out past issues.

Motherboards

- Hood River - Intel's Family Room Computer
 - Intel disclosed this to MS on 6/4/96. This is a great version of an SIPC machine from Intel. We need to work closely with Intel to make sure that this program gets funding/staffing at Intel.
- We continue to focus on OPSD here to make sure that our joint messages to OEMs are in sync and that the systems they build and ship to OEMs are meeting both Intel and MS needs.

IAL

- Many of the IAL issues that Kinnie has raised are being addressed - USB, MM Streaming to replace IA-SPOX, DMI and 3D HW concerns. Video Capture is the only real open issue and is beginning to get focus via the USB effort around imaging.
- We are still challenged on the security front. We have gone out with messages that Intel is not 100% happy about. MS needed to do this. Intel was offered the opportunity to get involved many times. This is in Intel's court to decide if they agree with MS pushing security into public standards organizations.

Internet

- Work on our joint Internet Media and Communications effort is progressing on a technical side but is hitting some bumps on the business side. We are just this week getting news that Intel is out making deals that will end up positioning their offerings as competitive to ours and our ISVs. This will end up being a problem. JohnLu and team are working this issue as I type.
- We are all over Intel with respect to their using Netscape and noting Netscape on their webpage. We held recent educational meetings with Renee James, Dennis Carter, and Intel Outbound marketing folks (own the webpage). We are hosting the intel.com webmasters this week in the porting lab.
- Multiple Intel teams are asking for license rights to IE3.0 to ship on their technology CDs. This is a big win for MS and will help move IE3.0 into the hearts and minds of Intel folks.
- Internet appliance/consumer device meetings are taking place. Both Intel and MS are in the formative stages here and are spending time together to make sure we do not blind side one another. Intel is investing in this space with the WebPhone and we can expect them to invest in more areas.